

Home / Economic Outlook / Mainstreet Economy

# Mainstreet Economy

## MAIN STREET ECONOMY MENU

### **Rural Mainstreet Index Records Highest Reading Since July 2023**

### *More Than One-Third of Bank CEOs Report Local Recession*

#### **January 2026 Survey Results at-a-Glance:**

- The region's overall or Rural Mainstreet Index climbed to its highest reading since July 2023.
- Almost one in four bankers, or 23.1%, support reducing short-term interest rates by .25% at the Federal Reserve's interest rate meeting on January 27-28.
- More than one-third of bank CEOs reported that their local economy was in a recession.
- The farm equipment sales index sank below growth neutral for the 29th straight month.
- According to trade data from the International Trade Association (ITA), regional exports of agriculture goods and livestock for the first 10 months of 2025, compared to the same period in 2024, fell from \$9.9 billion in 2024 to \$9.7 billion in 2025, for a decline of 2.4%.
- Regarding President Trump's imposition of tariffs, almost four of 10 of bankers have supported pulling back on tariffs.

**OMAHA, Nebraska (January 15, 2026)** - The overall Rural Mainstreet Index (RMI) climbed above growth neutral 50.0 for January, according to the latest monthly survey of bank CEOs in rural areas of a 10-state region dependent on agriculture and/or energy.

**Overall:** The region's overall reading for January climbed to 52.0, its highest reading since July 2023, and up from December's 50.1. The index ranges between 0 and 100, with a reading of 50.0 representing growth neutral.

"More than one of three bankers, or 34.7%, indicated that their local economy was currently in a recession. Another 26.9% expect their local economy to experience recession conditions in the first half of 2026," said Ernie Goss, PhD, Jack A. MacAllister Chair in Regional Economics at Creighton University's Heider College of Business.

Regarding President Trump's imposition of tariffs, almost four of 10 bankers, or 38.4%, support pulling back on tariffs.

Jim Eckert, Executive VP and Trust Officer of Anchor State Bank in Anchor, Ill. said, "We are still dry in Central Illinois. We probably have sufficient moisture to plant 2026 crops but will need timely rains as subsoil is depleted."

As stated by one bank CEO in the December survey, "Low grain prices and higher input costs continue to plague our area farmers. The Trump \$12B payment to producers will help but is not a cure."

The Federal Reserve's interest rate setting committee, the FOMC, meets January 27-28 to consider changing rates. Almost one in four bankers, or 23.1%, recommend reducing short-term interest rates by .25%. Approximately 73.1% advocate no change, while the remaining 3.8% support a rate increase.

Jeffrey Gerhart, former Chairman of the Independent Community Bankers Association said, "Interest rate changes by the Fed should pause for the time being. The lag is 'long and variable,' meaning policymakers must act with foresight. The economy's response isn't immediate, making it challenging to perfectly time monetary policy."

**Farming and ranchland prices:** After rising above growth neutral in December, the farm and ranchland index fell below the threshold for January with an index of 46.0, which was down from 52.5.

According to trade data from the International Trade Association (ITA), regional exports of agriculture goods and livestock for the first 10 months of 2025, compared to the same period in 2024, fell from \$9.9 billion in 2024 to \$9.7 billion in 2025 for a decline of 2.4%.

**Farm equipment sales:** The farm equipment sales index sank to a very weak 18.8 but was up from December's even weaker 15.0. "This is the 29th straight month that the index has fallen below growth neutral. Lower interest rates and the impending \$12 billion of federal farm support have yet to stimulate farm equipment purchases," said Goss.

**Banking:** The January loan volume index dropped to a solid 62.0 from December's 71.4. The checking deposit index fell to 66.0 from 69.0 in December. The region's index for certificates of deposits (CDs) improved to 54.0 from 52.4 in December.

**Hiring:** The new hiring index for January rose to 50.0 from December's 45.0. "Job gains for non-farm rural employers have been soft for the last several months," said Goss.

**Confidence:** Rural bankers remain pessimistic about economic growth for their area over the next six months. The January confidence index rose to 44.0, its highest reading since February 2023, and up from 40.9 in December. "Despite \$12 billion of federal farm support, weak grain prices and negative farm cash flows, combined with tariff retaliation concerns, continue to weigh on banker confidence," said Goss.

**Home and retail sales:** January home sales increased to a weak 48.1 from December's 42.9. Regional retail sales sank to 48.1 from 54.8 in December.

The survey represents an early snapshot of the economy of rural agriculturally- and energy-dependent portions of the nation. The Rural Mainstreet Index is a unique index that covers 10 regional states, focusing on approximately 200 rural communities with an average population of 1,300. The index provides the most current real-time analysis of the rural economy. Goss and the late Bill McQuillan, former Chairman of the Independent Community Banks of America, created the monthly economic survey and launched it in January 2006.

Below are the state reports:

**Colorado:** The state's Rural Mainstreet Index (RMI) for January climbed to 53.9 from 50.1 in December. The farm and ranchland price index for January sank to 46.2 from December's 52.1. The state's new hiring index increased to 50.2 from 45.1 in December. According to the latest trade data from the ITA, Colorado exports of agriculture goods and livestock for the first 10 months of 2025 stood at \$345.9 million, compared to \$361.8 million for the same period in 2024, for a 4.4% decline.

**Illinois:** The state's January Rural Mainstreet Index (RMI) declined to 50.1 from 53.4 in December. The farm and ranchland price index for January fell to 46.0 from 53.2 in December. The state's new hiring index for January improved to 50.0 from December's 46.9. According to the latest trade data from the ITA, Illinois exports of agriculture goods and livestock for the first 10 months of 2025 stood at \$2.8 billion, compared to \$3.8 billion for the same period in 2024, for a 27.5% decline.

**Iowa:** January's RMI for the state climbed to 52.7 from 47.6 in December. Iowa's farm and ranchland price index for January sank to 46.1 from 51.3. Iowa's new hiring index for January increased to 49.0 from December's 43.7. According to the latest trade data from the ITA, Iowa exports of agriculture goods and livestock for the first 10 months of 2025 stood at \$1.6 billion, compared to \$1.4 billion for the same period in 2024, for a 34.7% increase.

**Kansas:** The Kansas RMI for January improved to 50.7 from 49.3 in December. The state's farm and ranch land price index slumped to 41.4 from December's 51.8. The new hiring index for Kansas increased to 48.5 from December's 44.6. According to the latest trade data from the ITA, Kansas exports of agriculture goods and livestock for the first 10 months of 2025 stood at \$1.3 billion, compared to \$1.1 billion for the same period in 2024, for a 17.9% increase.

**Minnesota:** The January RMI for Minnesota jumped to 55.2 from December's 52.6. Minnesota's farm and ranch land price index declined to 46.4 from December's 52.9. The new hiring index for January increased to 50.4 from 46.5 in December. According to the latest trade data from the ITA, Minnesota exports of agriculture goods and livestock for the first 10 months of 2025 stood at \$811.9 million, compared to \$883.3 million for the same period in 2024, for an 8.1% decline.

**Missouri:** The January RMI for the state climbed to 56.2 from 50.9 in December. The farm and ranchland price index for January sank to 46.5 from December's 52.4. The state's new hiring gauge for January rose to 50.5 from 45.5. According to the latest trade data from the ITA, Missouri exports of agriculture goods and livestock for the first 10 months of 2025 stood at \$785.1 million, compared to \$789.0 million for the same period in 2024, for a 0.5% decline.

**Nebraska:** The state's Rural Mainstreet Index for January declined to 49.2 from December's regional high of 54.2. The state's farm and ranchland price index for January sank to 44.2 from December's 53.0. Nebraska's new hiring index increased to 48.1 from December's 46.4. According to the latest trade data from the ITA, Nebraska exports of agriculture goods and livestock for the first 10 months of 2025 stood at \$1.1 billion, compared to \$733.1 million for the same period in 2024, for a 45.1% increase.

**North Dakota:** The state's overall RMI for January climbed to 53.4 from 51.7 in December. The state's farm and ranchland price index dropped to 44.2 from 52.7 in December. The state's new hiring index improved to 50.2 from 46.0 in December. According to the latest trade data from the ITA, North Dakota exports of agriculture goods and livestock for the first 10 months of 2025 stood at \$875.3 million, compared to \$912.6 million for the same period in 2024, for a 4.1% decline.

**South Dakota:** The January RMI for South Dakota rose to 54.2 from December's 48.4. The state's farm and ranchland price index fell to 46.3 from 51.6 in December. South Dakota's January new hiring index increased to 50.3 from December's 44.1. According to the latest trade data from the ITA, South Dakota exports of agriculture goods and livestock for the first 10 months of 2025 stood at \$134.7 million, compared to \$123.1 million for the same period in 2024, for a 9.4% increase.

**Wyoming:** The January overall RMI for Wyoming was unchanged from December's 46.8. The January farm and ranch land price index sank to 46.1 from 51.0 in December. Wyoming's new hiring index improved to 50.1 from December's 43.2. According to the latest trade data from the ITA, Wyoming exports of agriculture goods and livestock for the first 10 months of 2025 stood at \$12.1 million, compared to \$7.7 million for the same period in 2024, for a 58.3% increase.

[Tables 1 and 2 summarize the survey findings.](#) Next month's survey results will be released on the third Thursday of the month, February 19, 2026.